

BYLAWS
of
HAWTHORNE BOULEVARD BUSINESS ASSOCIATION
(as revised November 11, 1992)

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ARTICLE 1 - NAME

The name of this Organization shall be the Hawthorne Boulevard Business Association.

ARTICLE 2 - PURPOSE OF ORGANIZATION

This Association is organized and shall operate exclusively as a mutual benefit corporation as defined in the Oregon Nonprofit Corporation Act hereinafter called the Act. Its purposes and objectives are as follows:

A. to promote the general business welfare of the businesses of all members of this Association and generally of all businesses bordering SE Hawthorne Boulevard from SE 12th Avenue to SE 60th Avenue and,

B. to promote, develop and preserve Hawthorne Boulevard through community involvement, as a desirable place to work, shop and live.

ARTICLE 3 - MEMBERSHIP

Section 3.1. A member of this Association shall be either a person, firm or corporation who resides on or operates a business or owns business property along or within two blocks adjacent to Hawthorne Boulevard from SE 12th Avenue to 60th Avenue or, a person or organization having a demonstrated interest in that area and whose membership the Board of Directors approves by majority vote.

Section 3.2. There shall be only one class of membership and all members shall be entitled to one

(1) vote in any proceeding brought before the general membership.

Section 3.3. Dues are payable in the following manner: A one time initiation fee is payable with application plus dues. The initiation fee and dues are to be set by a majority vote of the membership attending a regularly held monthly meeting, or other meeting as shall be designated by the board of directors. Notice shall be given to all members prior to any such vote. Such notice shall be in the form of a mailing, whether by letter or by posting such notice in the Association's newsletter.

ARTICLE 4 - MEETINGS OF THE GENERAL MEMBERSHIP

Section 4.1. NOTICE. Written or printed notice, stating the place, day and hour of any meeting of the members shall be delivered either personally or by mail to each member not less than seven (7) nor more than thirty (30) days before the date of the meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of this Association with the postage prepaid.

Section 4.2. An annual meeting of the members of this Association for the purpose of electing officers and directors shall be held at a place and time designated by the majority of the Board of Directors in the City of Portland, County of Multnomah on the third Wednesday in February of each year. If said meeting shall not be held on the designated day, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may reasonably be called, but in no event later than the third Wednesday in March.

Section 4.3. In addition to the annual meeting, regular meetings of the members may be held at such time and place as shall be determined by the general membership or the Board of Directors.

Section 4.4. Special meetings of the membership may be called by the President or, if in writing, by a majority of the Board of Directors or not less than 25 percent of the members having voting rights.

ARTICLE 5 - BOARD OF DIRECTORS

Section 5.1. The affairs of the Association shall be managed by the Board of Directors consisting of the President, Vice-President, Secretary, Treasurer, immediate Past-President, and no less than 4 nor more than 10 Directors, the exact number to be determined by the Board.

Section 5.2. Each Director shall be a member of the Association prior to holding office and shall hold office until his or her successor has been duly elected. Each Director shall serve for two (2) years, with not more than one-half (1/2) of the Board members having their respective terms expiring in any one year.

Section 5.3. The Board of Directors shall meet regularly at least bi-monthly at a time and place it shall select.

Section 5.4. A special meeting of the Board of Directors may be called by or at the request of the

President or any four Directors.

Section 5.5. Notice of any special meeting of the Board of Directors shall be given at least 24 hours previous thereto by oral notice.

Section 5.6. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 5.7. In the event of a midterm vacancy occurring on the Board of Directors, a Nominating Committee shall recommend a replacement who shall serve for the remainder of the unexpired term. The replacement must be approved by a two-thirds vote of the Board members present at any regular meeting of the Board.

Section 5.8. Conflicts of Interest. A conflict of interest transaction is a transaction with the Association in which a Director has a direct or indirect interest as defined under ORS 65.361 of the Act. A conflict of interest transaction is not voidable by the Association solely because of the Director's interest in the transaction and may be authorized, approved or ratified by the vote of the Board of Directors, or members as provided under the Act.

ARTICLE 6 - OFFICERS

Section 6.1. The officers of the Association shall be the President, Vice-President, Secretary and Treasurer.

Section 6.2. The officers shall be members of the Association and shall be elected by the membership and shall serve for a term of one year or until their successors have been elected.

Section 6.3. PRESIDENT. The President shall preside at all meetings of the Association and of the Board of Directors at which he or she is present and shall exercise general supervision in the affairs and activities of the Association.

Section 6.4. VICE-PRESIDENT. The Vice-President shall assume the duties of the President during his or her absence and shall automatically be nominated to the office of President at the end of his or her term as Vice-President.

Section 6.5. SECRETARY. The Secretary shall keep the minutes of all of the meetings of the Association and of the Board of Directors, which shall be an accurate and official record of all business transacted and shall be custodian of all records.

Section 6.6. TREASURER. The Treasurer shall receive all Association funds, keep them in a bank approved by the Board of Directors and pay out funds only on the approval of the Board of Directors.

Section 6.7. VACANCIES. In the event of a midterm vacancy in any office because of death, resignation, removal, disqualification or other-wise, a Nominating Committee shall recommend a

replacement who shall serve for the remainder of the unexpired term. The appointment must be approved by a two-thirds vote of the board members present at any regular meeting of the Board to be followed with notice to the general membership in the next publication.

ARTICLE 7 - REMOVAL

Section 7.1. Any Director or Officer may be removed with or without cause by the Board of Directors if (1) the Director or Officer in question is given reasonable prior notice to the impending action and an opportunity to speak on his or her own behalf before the Board at a regular Board Meeting and; (2) two-thirds (2/3) of the number of directors then serving vote to remove; or

Section 7.2. a two-thirds (2/3) majority vote of the membership vote to remove.

Section 7.3. Any Director or Officer shall be subject to removal if he or she misses three board meetings in any twelve month period. Notice of intent to be absent is to be served by the member on the Secretary of the Association.

Section 7.4. Any Director or officer may be removed from office as provided in the Act.

ARTICLE 8 - COMMITTEES

The Board of Directors shall create such committees and appoint such committee chairpersons as required from time to time. The Board of Directors shall define the purpose of such committees created, specify their tenure and receive progress reports from the committee chairpersons at the Board meetings.

ARTICLE 9 - INDEMNIFICATION, INSURANCE AND LIMITATION OF LIABILITY

Section 9.1 Indemnification. The Association shall indemnify a director against reasonable expenses actually incurred by the director in connection with a proceeding when the director is wholly successful in the defense of any proceeding to which the director was a party because of being a director of the Association. The Association shall have the authority to indemnify an Indemnified Person but only upon a determination pursuant to ORS 65.404 that the standard of conduct set forth in ORS 65.391 has been met.

Section 9.2 Advancement of Expenses. Upon resolution duly made, the Association may advance expenses incurred by an Indemnified Person in defending a Proceeding in advance of the final disposition of such Proceeding at the written request of such Indemnified Person, if the Indemnified Person furnishes the Association: (1) A written affirmation of the Indemnified Person's good faith belief that such Indemnified Person is entitled to be indemnified by the Association under the Act or under any other indemnification rights granted by the Association to such Indemnified Person; and (2) A written undertaking by or on behalf of such Indemnified Person to repay such advance to the extent it is ultimately determined by a court that such Indemnified Person is not entitled to be indemnified by the Association under the Act or under any

other indemnification rights granted by the Association to such Indemnified Person. Such advances shall be made without regard to the Indemnified Person's ability to repay such advances and without regard to the Indemnified Person's ultimate entitlement to indemnification under this Article or otherwise.

Section 9.3 Definitions. (1) The term "Indemnified Person" shall mean any person who is or was (i) a Director, officer, member of a committee, employee or, to the extent authorized by the Board of Directors in the specific case, an agent of the Association, (ii) a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Association, or (iii) serving at the request of the Association as a director, officer or fiduciary of an employee benefit plan of another corporation, partnership, joint venture, trust or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article. (2) The term "Proceeding" shall include any threatened, pending or completed action, suit or proceeding, whether brought in the right of the Association or otherwise and whether of a civil, criminal, administrative or investigative nature, in which an Indemnified Person may be or may have been involved as a party or otherwise by reason of the fact that the person is an Indemnified Person.

Section 9.4 Non-Exclusivity and Continuity of Rights. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation or any statute, agreement, general or specific action of the Board of Directors, or otherwise, and shall continue as to a person who has ceased to be a person described within the definition of Indemnified Person. Such indemnification and advancement of expenses shall inure to the benefit of the heirs, executors and administrators of such an Indemnified Person and shall extend to all claims for indemnification and advancement of expenses made after the adoption of this Article. The Association may enter into agreements to indemnify any Indemnified Person.

Section 9.5 Limitation of Liability. The civil liability of Directors, officers and other members shall be limited to the fullest extent permitted under the Oregon Nonprofit Corporation Act.

Section 9.6 Insurance. Upon resolution duly made, the Association may and is hereby authorized to purchase and maintain in effect a policy or policies of insurance covering any liability of directors, officers, committee members, employees and agents of the Association, regardless of whether the Association would have the power to indemnify such persons against the liability so insured.

ARTICLE 10 - AMENDMENTS

Any proposed amendments to these bylaws may be submitted in writing to the members of the Association. Such proposed amendments shall be discussed at a meeting of the members to be called no less than fifteen nor more than sixty days following the notification of the proposed amendment(s) and shall become effective when approved by two-thirds majority of the members

present at a general meeting.

ARTICLE 11 - GRIEVANCE PROCEDURES

Section 11.1 Eligibility to grieve. A person or group adversely affected by a decision or policy of the Association may submit in writing, a complaint to the President who will establish a Grievance Committee (the President and two board members).

Section 11.2 Complaint response. Within ten days of receipt of the complaint, the committee shall arrange with the petitioner a mutually acceptable place, day, and hour for a review of the complaint, and will, in writing, recommend a resolution to the petitioner. If board approval is deemed necessary, such approval may be sought at the next regular meeting or at the committee's discretion, a special meeting called for that purpose.

Section 11.3 Petitioner does not accept recommendation. If the committee and the petitioner cannot reach an agreement, final resolution of the complaint shall be by vote of a majority of the board attending a meeting called for that purpose.

ARTICLE 12 - GENERAL PROVISIONS

Section 12.1 Parliamentary Authority. The parliamentary rules contained in Robert's Rules of Order shall govern in all cases where they do not conflict with any other rules of procedure adopted by this Association.

Section 12.2 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the members or the Board of Directors or any committee may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all persons entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote.

Section 12.3 Waiver of Notice. A waiver of notice of any members, Board of Directors or committee meeting in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Notice of the time and place of holding an adjourned meeting need not be given if such time and place is fixed at the meeting adjourned.

Adopted: October 16, 1983

Revised: December 17, 1985

Revised: November 11, 1992